

VZCZCXRO2767
RR RUEHDE RUEHDH RUEHDIR
DE RUEHAD #0568 1590719
ZNR UUUUU ZZH
R 080719Z JUN 09
FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC 2558
INFO RUEHDE/AMCONSUL DUBAI 8299
RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE

UNCLAS ABU DHABI 000568

SENSITIVE
SIPDIS

E.O. 12958: N/A
TAGS: [ECON](#) [EFIN](#) [CASC](#) [CVIS](#) [ELAB](#) [PGOV](#) [SOCI](#) [AE](#)
SUBJECT: THE ECONOMIC OUTLOOK FROM THE CONSULAR WINDOW

REFS: A) ABU DHABI 361
B) ABU DHABI 11

11. (SBU) Summary: As business and financial circles debate the extent of the economic downturn in the United Arab Emirates (reftels), Consular Section patrons have a decidedly negative outlook. Rising numbers of Americans in the UAE are reporting job losses and economic hardship, and many expect increased job losses this summer. End Summary.

12. (U) Over the past few months, the American Citizen Services (ACS) unit has witnessed an increased number of Americans seeking counseling to find new jobs. In addition to job loss, more Americans have requested ACS assistance in resolving labor disputes. A typical labor dispute involves a signed contract with a specific end-of-service bonus that the employer refuses to pay, or cutting medical and housing benefits for the Amcit employee and family. So far, cancelled end-of-service bonuses have ranged from USD 5,000 to 50,000, with construction and education sectors being affected the most.

13. (U) Some American employees have received their job termination notices but have been allowed to keep their residency visas until the end of the school year in June. The ACS unit has received lengthy and hostile phone calls from Americans angry at the economic situation in Abu Dhabi, one American claimed that going back to the United States would be "economic suicide" and that they, as Americans, had the right to continue living and working in the UAE. Post often serves as the assistant of last resort - offering help such as repatriation loans when all other possibilities are exhausted. When asked about the possibility of repatriation to the U.S., several Americans explained that there was simply "nothing to go back to" in the U.S. Some American expatriates are further burdened by financially helping extended family in the U.S. Because so many Americans are experiencing difficult times in the U.S., Amcit job loss in Abu Dhabi is being felt well beyond the typical nuclear family.

14. The ACS unit has felt the social impact on American families through increased counseling requests from American women married to non-American men seeking divorce and child custody information. Several of the women said there had been a sharp shift in behavior among their husbands, including "a strange tension in the house", not allowing the American wife and children to travel to the U.S. over the summer, locking the Amcit children's passports in a safe to prevent international travel, and domestic violence. Studies have shown that domestic violence is often related to stress and economic hardship, and we are monitoring our community over the next three months as further lay-offs are expected.

15. (SBU) During a recent ACS visit to Al Ain, several long-term American residents expressed concern over increased lay-offs in the health and education sectors. Many employees have received their lay-off notifications and are looking for other work while others expect that companies are simply waiting until the end of June to send notifications. Al Ain has also felt the ripple effect of jobs lost in other parts of the UAE through residents who commute to Dubai or Abu Dhabi.

¶6. (SBU) Comment: As the consular section is often where troubled Americans turn after all other options are exhausted, the consular perspective on the economic downturn is naturally starker and more dramatic. However, business contacts report that Americans, who are at the higher end of expatriate salary packages, are increasingly being replaced by less-costly nationalities. Many are holding their breath as the school year draws to a close, hopeful that the jobs that attracted them to the UAE will still be around come fall. End Comment.

OLSON